

First Union Rail Corporation

One O'Hare Center
6250 River Road, Suite 5000
Rosemont, Illinois 60018-4214
847 318-7575

VIA FEDERAL EXPRESS



September 9, 1998 RECORDATION NO. 21632 FILED

SEP 11 '98 11-46AM

Surface Transportation Board
Attn: Jan Fort
1925 K Street, N.W., Room 704
Washington, DC 20423-0001

Re: Memorandum of Lease Agreement

Dear Ms. Fort:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) originals and two (2) copies of a Memorandum of Lease Agreement, dated May 1, 1997, a primary document as defined in the Board's Rules for the Recordation of Documents. The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation
One O'Hare Centre
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Columbia & Cowlitz Railway Company
P.O. Box 209
Longview, WA 98632

A description of the railroad equipment covered by the enclosed document is set forth on Exhibit A, as attached to such Memorandum.

Also enclosed is a check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned.

If you have any questions or concerns regarding the above-referenced matter, please feel free to contact me at (847) 384-5355. Thank you for your cooperation in this matter.

Very truly yours,

A handwritten signature in cursive script that reads "Susan Grokulskey".

Susan Grokulskey
Manager - Documents Administration

Enclosures

(CLC009)

ASSIGN: CLC009

RECORDATION NO. 21632 FILED

Memorandum of Lease

SEP 11 '98

11-46AM

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of the May 1, 1997, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Columbia & Cowlitz Railway Company ("Lessee").

W I T N E S S E T H:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement, dated as of May 1, 1997, whereby Lessor has agreed to lease to Lessee certain railcars being described in more particular on Exhibit A attached hereto, effective as of the date set forth above and subject to the terms, conditions and provisions of said Lease.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

ATTEST:

By: 

Name: _____

JACK THOMAS

Title: _____

President

By: 

Name: Michelle Berg

Title: Office Manager

Executed on this 10 day of September, 1998.

[CORPORATE SEAL]

STATE OF Illinois

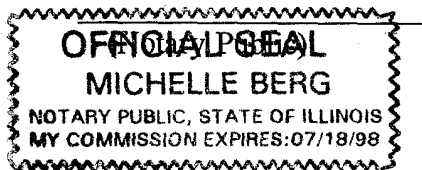
COUNTY OF Cook

I, Michelle Berg, a Notary Public in and for said state and county, certify that John J. Thomas personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 10th day of September, 1998.

Michelle Berg
Notary Public

My Commission Expires:



LESSEE:

COLUMBIA & COWLITZ RAILWAY COMPANY

ATTEST:

By: William S. Ellings

Name: William S. Ellings

Title: General Manager

By: Candy Reed

Name: Candy Reed

Title: Traffic Manager

Executed on this 2 day of Sept., 1998.

[CORPORATE SEAL]

STATE OF Washington

COUNTY OF Cowlitz

I, Mary E. Ledbetter, a Notary Public in and for said state and county, certify that William S. Ellings personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease Agreement.

WITNESS my hand and official stamp or seal, this 2nd day of Sept. 1998, 1998.

Mary E. Ledbetter
Notary Public

My Commission Expires:

3/1/2000
(Notary Public)

EXHIBIT A
to
Memorandum of Lease

NUMBER OF CARS: Fifty-Four (54)

DESCRIPTION OF CARS: 73' centerbeam Flatcars

CAR NUMBERS:

Car initial (29)	Car number (29)
MR	009040
MR	009042
MR	009043
MR	009044
MR	009045
MR	009046
MR	009047
MR	009048
MR	009049
MR	009050
MR	009051
MR	009052
MR	009053
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MR	009088
MR	009089
MR	009090
MR	009091
MR	009093
MR	009094
MR	009096
MR	009097
MR	009098
MR	009099
NOKL	009041
NOKL	009083
Count:	54